

Senate Bill No. 65

CHAPTER 491

An act to amend Sections 2558.46, 42238.146, 56836.11, and 56836.165 of the Education Code, to amend Section 17581.5 of the Government Code, to amend Items 6110-001-0890, 6110-107-0001, 6110-156-0890, 6110-161-0001, 6110-161-0890, 6110-228-0001, 6110-243-0001, and 8860-001-0001 of Section 2.00 of, to amend Section 12.75 of Section 2.00 of, to add Item 6110-493 to Section 2.00 of, and to repeal Item 6110-182-0001 of Section 2.00 of, Chapter 38 of the Statutes of 2005, to amend Sections 20 and 21 of Chapter 39 of the Statutes of 2005, and to amend Sections 30, 31, and 32 of Chapter 73 of the Statutes of 2005, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 4, 2005. Filed with
Secretary of State October 4, 2005.]

LEGISLATIVE COUNSEL'S DIGEST

SB 65, Committee on Budget and Fiscal Review. Education finance.

(1) Existing law requires a revenue limit to be calculated for each school district and for each county superintendent of schools, and requires the amount of the revenue limit to be adjusted for various factors. Existing law requires the Superintendent of Public Instruction to take into account the revenue limit of a school district and a county superintendent of schools when apportioning funding to school districts and to county superintendents of schools. Existing law reduces the revenue limit for the 2004-05 fiscal year by a deficit factor of 0.323% for both school districts and for county superintendents of schools, further reduces that revenue limit for those entities for the 2003-04 and 2004-05 fiscal years by a deficit factor of 1.826%, further reduces that revenue limit for the 2005-06 and 2006-07 fiscal years by a deficit factor of 0.909% for school districts and 0.901% for county superintendents of schools.

This bill would, instead, reduce the revenue limit for each school district for the 2005-06 and 2006-07 fiscal years by a 0.892% deficit factor, and for each county superintendent of schools for the 2005-06 and 2006-07 fiscal years by a 0.898% deficit factor.

(2) Existing law requires the Superintendent of Public Instruction to calculate for each special education local plan area an amount based on (a) the number of children and youth residing in foster family homes and foster family agencies, (b) the licensed capacity of group homes licensed by the State Department of Social Services, and (c) the number of children and youth ages 3 to 21, inclusive, referred by the State Department of Developmental Services who are residing in certain skilled nursing or intermediate care facilities and the number of youth ages 18 to 21,

inclusive, referred by the State Department of Developmental Services who are residing in certain community care facilities.

This bill would also include in the above calculation those children and youth, ages 3 to 21 years, inclusive, residing in small family homes. The bill would also require the above calculation for children and youth, ages 3 to 21 years, inclusive, rather than for youth ages 18 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in certain community care facilities.

(3) Existing law, for the purpose of computing an equalization adjustment for special education local plan areas, requires the Superintendent of Public Instruction to make certain computations to determine the statewide target amount per unit of average daily attendance for each special education local plan area.

This bill would revise these computations, as specified, for purposes of computing this adjustment for the 2005-06 fiscal year and each fiscal year thereafter.

(4) Existing law provides that a school district may not be required to implement or give effect to certain statutes, or portions thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if the statute, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year.

This bill would, in addition, provide that a school district may not be required to implement or give effect to matters identified by the test claim number utilized by the Commission on State Mandates.

(5) Existing law, Chapter 38 of the Statutes of 2005, the Budget Act of 2005, make appropriations for the support of state government during the 2005-06 fiscal year.

This bill would amend the Budget Act of 2005 by revising items of appropriation for support of the State Department of Education and the Department of Finance relating to the Comprehensive School Reform Program, adult education, special education instruction, the Early Education Program for Individuals with Exceptional Needs, School Safety Block Grants, and other various purposes relating to public education.

(6) Existing law appropriates \$605,094,000 from the General Fund to the State Department of Education for expenditure during the 2006-07 fiscal year, in specified amounts, for apprentice programs, supplemental instruction, regional occupational centers and programs, home-to-school transportation, the Gifted and Talented Pupil Program, the Targeted Instructional Improvement Block Grant, adult education, community day schools, categorical programs for charter schools, the School Safety Program, and the Pupil Retention Block Grant, appropriates \$200,000,000 for the 2006-07 fiscal year to the Board of Governors of the California Community Colleges for general apportionments, as specified in the Budget Act of 2005. Existing law appropriates \$16,811,000 for the 1995-96, 1996-97, and 2002-03 fiscal years to the Controller to pay for

prior year state obligations for K-12 and community college mandate claims and interest, as provided. Existing law provides that these funds are deemed to be in partial satisfaction of certain outstanding balances for the 1995-96, 1996-97, and 2002-03 fiscal years, and in lieu of certain amounts, including \$101,811,000 that would otherwise be appropriated, as specified.

This bill would, instead, provide that these funds are deemed to be in partial satisfaction of certain outstanding balances and in lieu of \$16,811,000 that would otherwise be appropriated, as specified.

Existing law provides that for the purposes of satisfying the minimum annual funding obligation for school districts and community college districts required under the California Constitution, \$6,811,000 of these amounts are General Fund revenues appropriated for school districts for the 1995-96 fiscal year, as specified.

Existing law provides that for the purposes of satisfying the minimum annual funding obligation for school districts and community college districts required under the California Constitution, \$9,029,000 of these amounts are General Fund revenues appropriated for school districts for the 1996-97 fiscal year, as specified, and \$971,000 of these amounts are General Fund revenues appropriated for school districts for the 1996-97 fiscal year, as specified.

This bill would, instead, provide that, for the purposes of satisfying the minimum annual funding obligation for school districts and community college districts required under the California Constitution, \$10,000,000 of these amounts are General Fund revenues appropriated for community college districts, as defined, for the 1995-96 fiscal year.

(7) Existing law, the Budget Acts of 2000, 2001, 2002, 2003, and 2004, appropriates certain funds for purposes of Internet connectivity and network infrastructure for schools offering kindergarten and grades 1 to 12, inclusive, and county offices of education.

This bill would reappropriate these funds, thereby creating an appropriation, and make those funds available for expenditure by the Imperial County Office of Education consortium to continue management and operation of the high-speed network during the 2005-06 fiscal year, with certain requirements. The bill would also require the Joint Legislative Audit Committee to conduct an audit of the K-12 High Speed Network, as specified.

(8) This bill would also make various technical, nonsubstantive changes to existing law.

(9) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 2558.46 of the Education Code is amended to read:

2558.46. (a) (1) For the 2003-04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.195 percent deficit factor.

(2) For the 2004-05 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005-06 and 2006-07 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be further reduced by a 0.898 percent deficit factor.

(b) In computing the revenue limit for each county superintendent of schools for the 2007-08 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003-04, 2004-05, 2005-06, and 2006-07 fiscal years without being reduced by the deficit factors specified in this section.

SEC. 2. Section 42238.146 of the Education Code is amended to read:

42238.146. (a) (1) For the 2003-04 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 1.198 percent deficit factor.

(2) For the 2004-05 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each school district determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005-06 and 2006-07 fiscal years, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.892 percent deficit factor.

(b) In computing the revenue limit for each school district for the 2007-08 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2003-04, 2004-05, 2005-06, and 2006-07 fiscal years without being reduced by the deficit factors specified in this section.

SEC. 3. Section 56836.11 of the Education Code is amended to read:

56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998-99 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas:

(1) Total the amount of funding computed for each special education local plan area exclusive of the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, pursuant to Section 56836.09 for the 1997-98 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997-98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that section read on July 1, 1996, and exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2) to determine the statewide target amount for the 1997-98 fiscal year.

(4) Add the amount computed in paragraph (3) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998-99 fiscal year to determine the statewide target amount for the 1998-99 fiscal year.

(b) Commencing with the 1999-2000 fiscal year to the 2004-05 fiscal year, inclusive, to determine the statewide target amount per unit of average daily attendance for special education local plan areas, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(c) Commencing with the 2005-06 fiscal year and each fiscal year thereafter, to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the incidence multiplier pursuant to Section 56836.155, the Superintendent shall add the statewide target amount per unit of average daily attendance computed for the prior fiscal year for this purpose to the amount computed in paragraph (2) of subdivision (d) or paragraph (2) of subdivision (e), as appropriate.

(d) For the 2005-06 fiscal year, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) The 2004-05 fiscal year statewide target amount per unit of average daily attendance less the sum of the 2004-05 fiscal year total amount of federal funds apportioned pursuant to Schedule (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of 2004 for the purposes of special education for individuals with exceptional needs enrolled in kindergarten

and grades 1 to 12, inclusive, divided by the total average daily attendance computed for the 2004-05 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

(e) Commencing with the 2006-07 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

SEC. 4. Section 56836.165 of the Education Code is amended to read:

56836.165. (a) For the 2004-05 fiscal year and each fiscal year thereafter, the Superintendent shall calculate for each special education local plan area an amount based on (1) the number of children and youth residing in foster family homes, small family homes, and foster family agencies, (2) the licensed capacity of group homes licensed by the State Department of Social Services, and (3) the number of children and youth ages 3 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in skilled nursing facilities or intermediate care facilities licensed by the State Department of Health Services and the number of children and youth, ages 3 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services.

(b) The department shall assign each facility described in paragraphs (1), (2), and (3) of subdivision (a) a severity rating. The severity ratings shall be on a scale from 1 to 14. Foster family homes and small family homes shall be assigned a severity rating of 1. Foster family agencies shall be assigned a severity rating of 2. Facilities described in paragraph (2) of subdivision (a) shall be assigned the same severity rating as its State Department of Social Services rate classification level. For facilities described in paragraph (3) of subdivision (a), skilled nursing facilities shall be assigned a severity rating of 14, intermediate care facilities shall be assigned a severity rating of 11, and community care facilities shall be assigned a severity rating of 8.

(c) (1) The department shall establish a “bed allowance” for each severity level. For the 2004-05 fiscal year, the bed allowance shall be calculated as described in paragraph (2). For the 2005-06 fiscal year and

each fiscal year thereafter, the department shall increase the bed allowance by the inflation adjustment computed pursuant to Section 42238.1. The department shall not establish a bed allowance for any facility defined in paragraphs (2) and (3) of subdivision (a) if it is not licensed by the State Department of Social Services or the State Department of Health Services.

(2) (A) The bed allowance for severity level 1 shall be five hundred two dollars (\$502).

(B) The bed allowance for severity level 2 shall be six hundred ten dollars (\$610).

(C) The bed allowance for severity level 3 shall be one thousand four hundred thirty-four dollars (\$1,434).

(D) The bed allowance for severity level 4 shall be one thousand six hundred forty-nine dollars (\$1,649).

(E) The bed allowance for severity level 5 shall be one thousand eight hundred sixty-five dollars (\$1,865).

(F) The bed allowance for severity level 6 shall be two thousand eighty dollars (\$2,080).

(G) The bed allowance for severity level 7 shall be two thousand two hundred ninety-five dollars (\$2,295).

(H) The bed allowance for severity level 8 shall be two thousand five hundred ten dollars (\$2,510).

(I) The bed allowance for severity level 9 shall be five thousand four hundred fifty-one dollars (\$5,451).

(J) The bed allowance for severity level 10 shall be five thousand eight hundred eighty-one dollars (\$5,881).

(K) The bed allowance for severity level 11 shall be nine thousand four hundred sixty-seven dollars (\$9,467).

(L) The bed allowance for severity level 12 shall be thirteen thousand four hundred eighty-three dollars (\$13,483).

(M) The bed allowance for severity level 13 shall be fourteen thousand three hundred forty-three dollars (\$14,343).

(N) The bed allowance for severity level 14 shall be twenty thousand eighty-one dollars (\$20,081).

(d) (1) For each fiscal year, the department shall calculate an out-of-home care funding amount for each special education local plan area as the sum of amounts computed pursuant to paragraphs (2), (3), and (4). The State Department of Social Services and the State Department of Developmental Services shall provide the State Department of Education with the residential counts identified in paragraphs (2), (3), and (4).

(2) The number of children and youth residing on April 1 in foster family homes, small family homes, and foster family agencies located in each special education local plan area times the appropriate bed allowance.

(3) The capacity on April 1 of each group home licensed by the State Department of Social Services located in each special education local plan area times the appropriate bed allowance.

(4) The number on April 1 of children and youth (A) ages 3 through 21 referred by the State Department of Developmental Services who are

residing in skilled nursing facilities and intermediate care facilities licensed by the State Department of Health Services located in each special education local plan area times the appropriate bed allowance, and (B) ages 3 to 21 years, inclusive, referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services located in each special education local plan area times the appropriate bed allowance.

(e) In determining the amount of the first principal apportionment for a fiscal year pursuant to Section 41332, the Superintendent shall continue to apportion funds from Section A of the State School Fund to each special education local plan area equal to the amount apportioned at the advance apportionment pursuant to Section 41330 for that fiscal year.

SEC. 5. Section 17581.5 of the Government Code is amended to read:

17581.5. (a) A school district may not be required to implement or give effect to the statutes, or portion thereof, identified in subdivision (b) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute, or portion thereof, or the test claim number utilized by the commission, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) This section applies only to the following mandates:

(1) The School Bus Safety I (CSM-4433) and II (97-TC-22) mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

(2) The School Crimes Reporting II mandate (97-TC-03; and Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995).

(3) Investment reports (96-358-02; and Chapter 783 of the Statutes of 1995 and Chapters 156 and 749 of the Statutes of 1996).

(4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

(5) Grand jury proceedings mandate (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).

SEC. 6. Item 6110-001-0890 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-001-0890—For support of Department of Education,
for payment to Item 6110-001-0001, payable from the
Federal Trust Fund 149,485,000

Provisions:

1. The funds appropriated in this item include Federal Vocational Education Act funds for the 2004-05 fiscal year to be transferred to community colleges by means of interagency agreements. These funds shall be used by community colleges for the administration of vocational education programs.
2. Of the funds appropriated in this item, \$96,000 is available to the Advisory Commission on Special Education for the in-state travel expenses of the commissioners and the secretary to the commission.
3. Of the funds appropriated in this item, \$401,000 is available for programs for homeless youth and adults pursuant to the federal McKinney-Vento Homeless Assistance Act. The State Department of Education shall consult with the State Departments of Economic Opportunity, Mental Health, Housing and Community Development, and Economic Development in operating this program.
4. Of the funds appropriated in this item, up to \$364,000 shall be used to provide in-service training for special and regular educators and related persons, including, but not limited to, parents, administrators, and organizations serving severely disabled children. These funds are also to provide up to four positions for this purpose.
5. Of the funds appropriated in this item, \$318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers.
6. Of the amount appropriated in this item, \$1,265,000 shall be used for the administration of the federal charter schools program. These activities include monitoring of grant recipients, and increased review and technical assistance support for federal charter school grant applicants and recipients. For the 2005-06 fiscal year, one Education Program Consultant position shall support fiscal issues pertaining to charter schools.
7. (a) Of the funds appropriated in this item, \$9,898,000 is from the Child Care and Development Block Grant Fund and is available for support of Child Care Services.

- (b) Of the amount appropriated in this item, \$530,000 is for 5.5 positions within the State Department of Education (SDE) to address compliance monitoring and overpayments, which may contribute to early detection of fraud. The SDE shall provide information to the Legislature and Department of Finance each year that quantifies provider-by-provider level data, including instances and amounts of overpayments and fraud, as documented by the SDE's compliance monitoring efforts for the prior fiscal year.
 - (c) As a condition of receiving the resources specified in subdivision (b), it is expected that every alternative payment agency will be audited each year using sufficient sampling of provider records of the following: (i) family fee determinations, (ii) income eligibility, (iii) rate limits, and (iv) basis for hours of care, to determine compliance rates, any instances of misallocation of resources, and the amount of funds expected to be recovered from instances of both potential fraud and overpayment when no intent to defraud is suspected. This information will be contained in a separate report for each provider, with a single statewide summary report annually submitted to the Governor and Legislature no later than April 15.
- 8. Of the funds appropriated in this item, \$1,805,000 shall be used for administration of the Enhancing Education Through Technology Grant Program. Of this amount:
 - (a) \$408,000 is available only for contracted technical support and evaluation services.
- 9. Of the funds appropriated in this item, \$10,140,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program.
- 10. Of the amount provided in this item, \$881,000 is provided for staff for the Special Education Focused Monitoring Pilot Program to be established by the State Department of Education for the purpose of monitoring local educational agency compliance with state and federal laws and regulations governing special education.

11. Of the funds appropriated in this item, \$125,000 shall be allocated for increased travel costs associated with program reviews conducted by the Special Education Division Focused Monitoring and Technical Assistance Units. Expenditure of these funds is subject to Department of Finance approval of an expenditure plan. The expenditure plan shall include the proposed travel costs associated with focused monitoring and technical assistance provided by the State Department of Education. It shall also include the estimated type and number of reviews to be conducted, and shall provide an estimated average cost per type of review. Annual renewal of this funding is subject to Department of Finance approval of an annual focused monitoring final expenditure report. The report shall be submitted on or before September 30, 2005. It shall provide the total number of reviews conducted each fiscal year, the amount of staff and personnel days and hours associated with each category of review, the travel costs associated with the type and number of reviews conducted, and an average cost per type of review.
12. Of the funds appropriated in this item, \$120,000 shall be used solely for the administration of the federal advance placement examination fee payment grant program for low-income pupils.
13. Of the funds appropriated in this item, \$243,000 shall be available for the preparation, analysis, and production of the annual federal accountability reports, as required by the Carl D. Perkins Vocational Technical Education Act.
14. Of the funds appropriated in this item, \$303,000 shall be allocated by the State Department of Education to the California State University, San Bernardino, Center for the Study of Correctional Education, for special education monitoring of and technical assistance for the California Youth Authority pursuant to Chapter 536 of the Statutes of 2001.
15. Of the funds appropriated in this item, not less than \$798,000 shall be available for costs associated with the administration of the High Priority Schools Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of the Education Code and the Immediate Intervention/Underperforming Schools Program pursuant to Article 3 (commencing with Section 52053) of Chapter 6.1 of Part 28 of the Education Code.

16. Of the funds appropriated in this item, \$419,000 shall be available pursuant to Chapter 1020 of the Statutes of 2002 for the development and implementation of corrective action plans and sanctions pursuant to federal law.
17. Of the funds appropriated in this item, \$1,414,000 is for administration of the Reading First Program. Of this amount, \$873,000 is to redirect 6.0 staff to assist in program administration, and \$500,000 is for the State Department of Education to contract for annual evaluations of program effectiveness.
19. Of the appropriated funds in this item, \$668,000 is for the department to continue developing a comprehensive strategy to address data reporting requirements associated with the No Child Left Behind Act of 2001 (P.L. 107-110), and to support 5.0 positions to assist with this task.
20. Of the funds appropriated in this item, \$600,000 is provided for the second year of a three-year evaluation of the High Priority Schools Grant Program pursuant to Chapter 42 of the Statutes of 2002.
21. Of the funds appropriated in this item, \$844,000 is to support state operations related to the development of a longitudinal database for the requirements of the No Child Left Behind Act of 2001 (P.L. 107-110). Of this funding, \$366,122 is for the development of a Request for Proposals and is contingent upon Department of Finance approval following approval of a Feasibility Study Report.
23. Of the amount appropriated in this item, \$400,000 is available to fund 3.0 positions (2.75 PYs) and associated costs for administering the English Language Development materials program specified in Provision 2 of Item 6110-189-0001. The positions are available on a two-year limited-term basis ending June 30, 2006.

24. Of the amount appropriated in this item, \$267,000 shall be used to develop an Internet-based electronic clearinghouse system to improve the availability of parental information documents that are translated into languages other than English. The purpose of this system is to improve the availability of these documents at the local level and reduce the local costs of providing these documents by eliminating duplication of effort in translating standard documents. The system shall include an interactive Web portal located on the State Department of Education's Web site, which shall allow local education agencies to submit, locate, and access locally translated parental documents and may include documents that the department is responsible for translating. The funding shall also be used to fund one position to manage the development and maintenance of the Internet clearinghouse site. The addition of an electronic clearinghouse for locally translated documents to the State Department of Education's Web site shall not constitute a new information technology project or increase in funding for an information technology project for purposes of project reporting and oversight.
25. Of the amount appropriated in this item, \$832,000 (\$600,000 reimbursements and \$232,000 federal special education funds) shall be used to fund six positions and implement the provisions of Chapter 914 of the Statutes of 2004 for increased monitoring of nonpublic, nonsectarian schools.
26. Of the amount appropriated in this item, \$963,000 in federal special education funds shall be used to augment funding for State Special Schools transportation.

27. Of the funds appropriated in this item, \$350,000 shall be for the department to contract for a teacher data system feasibility study. The feasibility study shall: (a) inventory the teacher data elements (name, code, and definition) currently collected by state agencies and county offices of education, (b) identify existing redundancies (two or more agencies collecting the same data) and inefficiencies (agencies collecting data without a specific, meaningful purpose), (c) identify state agencies' and county offices' existing teacher data needs for meeting state and federal compliance and reporting requirements, (d) identify the most cost-effective approach for converting the existing data systems into an integrated, comprehensive, longitudinally linked teacher information system that can yield high-quality program evaluations, and (e) estimate the additional one-time and ongoing costs associated with the new system. In developing the associated request for proposals and selecting the vendor, the department shall convene a working group that includes the Department of Finance, the Legislative Analyst's Office, and other interested parties. The study shall be submitted to the Governor and Legislature by March 31, 2006.
29. Of the funds appropriated in this item, \$443,000 is for 3.0 positions within the State Department of Education for increased monitoring associated with Chapter 493 of the Statutes of 2004.
30. Of the funds appropriated in this item, \$2,000,000 from federal Title funds shall be available for the department to contract for an independent evaluation to determine whether California has met the assessment requirements of the federal No Child Left Behind Act. The expenditure of these funds shall be contingent on approval of an expenditure plan and request for proposal by the State Board of Education and the Department of Finance.
31. (a) Prior to expenditure of the funds pursuant to subdivision (b), the State Department of Education (SDE) shall build upon preexisting, high-quality translations available from school districts, county offices of education, and other entities that have translated relevant documents, including those identified by the advisory group.

- (b) Of the funds appropriated in this item, \$450,000 is available to the SDE for the cost of translating into languages other than English state prototype documents that it currently provides to school districts to help them comply with parental notification requirements under state and federal law. The SDE shall be required to contract with appropriate translators or translator services to translate these documents. The SDE shall post all documents translated as a result of the appropriation referenced in this provision on its existing Internet-based electronic clearinghouse system of state- and locally translated parental notification documents.
- (c) The SDE shall convene a translations advisory group comprised of the following representatives: the Department of Finance, the SDE, the Legislative Analyst's Office, legislative staff, the Office of the Secretary for Education, relevant organizations, local educational agencies, and limited-English-speaking parents of children in the public K-12 educational system. The purposes of the advisory group shall be the following: (1) to assess and identify gaps in the types of documents being translated and the languages covered by translations, (2) to prioritize vital documents that should be translated, as well as languages of greatest need for translation, and (3) to provide feedback and input to the department, including procedures for translations, quality, dissemination, and outreach. The advisory group shall include no more than ten individuals, with no more than one person from each state level entity.

SEC. 7. Item 6110-104-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-104-0001—For local assistance, Department of Education (Proposition 98), Program 10.10.011- School Apportionments—Remedial Supplemental Instruction Programs, for transfer to Section A of the State School Fund, for supplemental instruction and remedial programs	291,431,000
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Schedule:

(1) 10.10.011.008-School Apportionments, for Supplemental Instruction, Remedial, Grades 7-12 for the purposes of Section 37252 of the Education Code	165,222,600
(2) 10.10.011.009-School Apportionments, for Supplemental Instruction, Retained, or Recommended for Retention, Grades 2-9, for the purposes of Section 37252.2 of the Education Code, as applicable	39,908,400
(3) 10.10.011.010-School Apportionments, for Supplemental Instruction, Low STAR or at-risk, Grades 2-6, for the purposes of Section 37252.8 of the Education Code, as applicable	15,534,000
(4) 10.10.011.011-School Apportionments, for Supplemental Instruction, core academic, Grades K-12, for the purposes of Section 37253 of the Education Code	70,766,000

Provisions:

1. Notwithstanding any other provision of law, for the 2005-06 fiscal year the Superintendent of Public Instruction shall allocate a minimum of \$7,871 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 2005-06 fiscal year, offers at least 1,500 hours of supplemental summer school instruction. A small school district, as described above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (f) of Section 42239 of the Education Code as it read on July 1, 1999.
2. Notwithstanding any other provision of law, for the 2005-06 fiscal year, the maximum reimbursement to a school district or charter school for the program listed in Schedule (4) shall not exceed 5 percent of the district or charter school's enrollment multiplied by 120 hours, multiplied by the hourly rate for the 2005-06 fiscal year.

4. Notwithstanding any other provision of law, the rate of reimbursement shall be \$3.73 per hour of supplemental instruction.
5. Notwithstanding any other provision of law, if the funds in this item are insufficient to fund otherwise valid claims, the superintendent shall adjust the rates to conform to available funds.
6. Of the funds appropriated in this item, \$11,826,428 is for the purpose of providing a cost-of-living adjustment of 4.23 percent. Additionally, \$1,915,222 is for the purpose of providing for increases in average daily attendance at a rate of 0.69 percent for supplemental instruction and remedial programs, in lieu of the amount that would otherwise be provided pursuant to any other provision of law.
- 7.5. The funding appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for implementing Section 37252.2 of the Education Code. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.
8. Notwithstanding any other provision of law, an additional \$90,117,000 in expenditures for this item has been deferred until the 2006-07 fiscal year.

SEC. 8. Item 6110-107-0001 of Section 2.00 of Chapter 38 of the statutes of 2005 is amended to read:

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight 10,549,000

Schedule:

(1) 10.10.002-COE Oversight	5,268,000
(2) 10.10.005-FCMAT.....	2,729,000
(3) 10.10.012-FCMAT: CSIS	250,000
(4) 10.10.013-Audit Appeal Panel	55,000
(5) 10.10.015-Interim Reporting	1,050,000
(6) 10.10.016-Staff Development	1,197,000

Provisions:

1. The funds appropriated in Schedule (1) of this item are for the purposes provided in paragraph (1) of subdivision (a) of Section 29 of Chapter 1213 of the Statutes of 1991 and subsequent legislation.
2. Funds contained in Schedule (1) may be used for activities, including, but not limited to, conducting reviews, examinations, and audits of districts and providing written notifications of the results at least annually by county offices of education on the fiscal solvency of the districts with disapproved budgets, qualified or negative certifications, or, pursuant to Section 42127.6 of the Education Code, districts facing fiscal uncertainty. Written notifications of the results of these reviews, audits, and examinations shall be provided at least annually to the district governing board, the Superintendent of Public Instruction, the Director of Finance, and the Office of the Secretary for Education.
- 3.5. The funding appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for school district and county office of education fiscal accountability reporting. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.
4. Of the funds appropriated in Schedule (2) of this item:

- (a) \$2,061,000 shall be allocated by the Controller directly to a county office of education, selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee Fiscal Crisis and Management Assistance Team (FCMAT) responsibilities with respect to these funds, to meet the costs of participation under Section 42127.8 of the Education Code.
 - (b) \$250,000 shall be available to develop and implement the activities of regional teams of fiscal experts to assist districts in fiscal distress.
 - (c) \$418,000 shall be allocated to FCMAT for the purpose of providing, through computer technology, financial and demographic information that is interactive and immediately accessible to all local education agencies to assist them in their decisionmaking process. To ensure a completely integrated system, this computer information should be developed in collaboration with the State Department of Education, and should be compatible with the hardware and software of the State Department of Education, so that this information may also assist state-level policymakers in making comparable standardized financial information available to the local education agencies and the public.
- 5. Of the funds appropriated in Schedule (3) of this item, \$250,000 shall be available to the FCMAT to pay for project management services for CSIS. These funds shall be used to supplement and not supplant other CSIS funds available for project management services.
 - 6. Of the funds appropriated in Schedule (5) of this item, \$150,000 shall be available for no more than a 25 percent state reimbursement to county offices of education for fiscal oversight of school districts with audit exceptions, districts with qualified or negative interim reports, districts that may be unable to meet financial obligations for the current or subsequent fiscal years, or districts with disapproved budgets.

7. Up to \$900,000 of the funds appropriated in Schedule (5) may also be used to fully reimburse county office of education activities for extraordinary costs of audits, examinations, or reviews of district budgets in cases where fraud, misappropriation of funds or other illegal fiscal practices require COE review, pursuant to Section 2 of Chapter 620 of the Statutes of 2001. The State Board of Education may request any county superintendent of schools to initiate such an audit, examination, or review for any charter school or all-charter district for which the board has oversight responsibility. Allocation of the funds shall be administered by FCMAT on a reimbursement basis. All reimbursements shall be subject to the approval of both the Department of Finance and the State Department of Education.
8. The amount appropriated in Schedule (5) of this item shall remain available for expenditure for the 2005-06 and 2006-07 fiscal years. Any unexpended balance as of September 1, 2006, shall be available through July 30, 2007, for the following, in order of descending priority:
 - (a) Any review or audit jointly requested by the State Department of Education and the Department of Finance, to be conducted by a county superintendent of schools in cases where fraud, misappropriation of funds, or other illegal fiscal practices are suspected.
 - (b) Staff development pursuant to Provision 11.
 - (c) Regional assistance teams developed pursuant to Provision 4(b) of this item.
9. Notwithstanding Section 26.00, the funds appropriated in this item shall be allocated in accordance with the above schedule unless a revision to the allocations contained herein has been approved by the Department of Finance. The Department of Finance may not authorize any such revision sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

10. The funds appropriated in Schedule (4) of this item are for the additional staff and resources needed for FCMAT to ensure that timely resolution of audit findings is achieved pursuant to the directives of Education Code Section 41344.
11. Of the funds appropriated in Schedule (6) of this item, \$854,000 is for the purpose of providing staff development to local education agency school finance and business personnel, as provided in Section 42127.8 of the Education Code. The funds appropriated in Schedule (6) shall be allocated by the Controller directly to a county office of education selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee FCMAT's responsibilities with respect to these funds. \$343,000 of the funds appropriated in Schedule (6) is for the purpose of providing training that shall be developed and facilitated pursuant to Section 42127.8 of the Education Code to increase school district and school-level capacity to implement and manage site-based budgeting and decisionmaking governance structures.
12. Notwithstanding any other provision of law, funds appropriated in Schedules (1), (2), (4), (5), and (6), of this item to a county office of education, selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee FCMAT responsibilities, shall be allocated by the State Controller directly to that county office of education as soon as possible but no later than 60 days after the enactment of the Budget Act. Funds appropriated in this item shall not be subject to grant allocation or review processes on the part of the State Department of Education nor the Superintendent of Public Instruction. The county office of education that receives these funds shall annually provide a report detailing past year expenditures, identifying the local education agencies (LEA) assisted with these funds and a summary of progress for each. Additionally, the report shall identify a plan for the proposed uses of the allocations in this item, identifying estimated expenditures for each LEA anticipated to be served. This report shall be submitted to the Department of Education and to the Department of Finance by October 1, 2005.

SEC. 9. Item 6110-156-0890 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust 79,212,000
Provisions:

1. Under any grant awarded by the State Department of Education under this item to a qualifying community-based organization to provide adult basic education in English as a Second Language and English as a Second Language-Citizenship classes, the department shall make an initial payment to the organization of 25 percent of the amount of the grant. In order to qualify for an advance payment, a community-based organization shall submit an expenditure plan and shall guarantee that appropriate standards of educational quality and fiscal accountability are maintained. In addition, reimbursement of claims shall be distributed on a quarterly basis. The State Department of Education shall withhold 10 percent of the final payment of a grant as described in this provision until all claims for that community-based organization have been submitted for final payment.
2. (a) Notwithstanding any other provision of law, all nonlocal educational agencies (Non-LEA) receiving greater than \$300,000 pursuant to this item shall submit an annual organizational audit, as specified, to the State Department of Education, Office of External Audits.

All audits shall be performed by one of the following: (1) a certified public accountant possessing a valid license to practice within California; (2) a member of the State Department of Education's staff of auditors; or (3) in-house auditors, if the entity receiving funds pursuant to this item is a public agency, and if the public agency has internal staff that performs auditing functions and meets the tests of independence found in Standards for Audits of Governmental Organization, Programs, Activities and Functions issued by the Comptroller General of the United States.

The audit shall be in accordance with State Department of Education audit guidelines and Office of Management and Budget, Circular No. A-133, Audits of Institutions of Higher Education and Other Non-Profit Institutions.

Non-LEA entities receiving funds pursuant to this item shall submit the annual audit no later than six months from the end of the agency fiscal year. If, for any reason, the contract is terminated during the contract period, the auditor shall cover the period from the beginning of the contract through the date of termination.

Non-LEA entities receiving funds pursuant to this item shall be held liable for all State Department of Education costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.

- (b) Notwithstanding any other provision of law, the State Department of Education shall annually submit to the Governor, Joint Legislative Budget Committee, and Joint Legislative Audit Committee limited scope audit reports of all subrecipients it is responsible for monitoring that receive between \$25,000 and \$300,000 of federal awards, and that do not have an organization-wide audit performed. These limited scope audits shall be conducted in accordance with the State Department of Education audit guidelines and Office of Management and Budget, Circular No. A-133. The State Department of Education may charge audit costs to applicable federal awards, as authorized by OMB, Circular No. A-133 Section 230(b)(2).

The limited scope audits shall include agreed-upon procedures engagements conducted in accordance with either AICPA generally accepted auditing standards or attestation standards, and address one or more of the following types of compliance requirements: allowed or unallowed activities; allowable costs and cost principles; eligibility; matching; level of effort; earmarking; and reporting.

The State Department of Education shall contract for the limited scope audits with a certified public accountant possessing a valid license to practice within the state or with an independent auditor.

3. On or before March 1, 2006, the State Department of Education shall report to the appropriate subcommittees of the Assembly Budget Committee and the Senate Budget and Fiscal Review Committee on the following aspects of Title II of the federal Workforce Investment Act: (a) the makeup of those adult education providers that applied for competitive grants under Title II and those that obtained grants, by size, geographic location, and type (school districts, community colleges, community-based organizations, other local entities); (b) the extent to which participating programs were able to meet planned performance targets; and (c) a breakdown of the types of courses (ESL, ESL-Citizenship, ABE, ASE) included in the performance targets of participating agencies. It is the intent of the Legislature that the Legislature and State Department of Education utilize the information provided pursuant to this provision to (a) evaluate whether any changes need to be made to improve the implementation of the accountability-based funding system under Title II and (b) evaluate the feasibility of any future expansion of the accountability-based funding system using state funds.

4. The State Department of Education shall continue to ensure that outcome measures for Department of Mental Health and Department of Developmental Services clients are set at a level where these clients will continue to be eligible for adult education services in the 2005-06 fiscal year and beyond to the full extent authorized under federal law. The State Department of Education shall also consult with the Department of Mental Health, Department of Developmental Services, and Department of Finance for this purpose.
5. Of the funds appropriated in this item, \$3,625,000 is a one-time carry-over from prior years.

SEC. 10. Item 6110-161-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children 2,890,022,000
Schedule:

- | | |
|--|---------------|
| (1) 10.60.050.003-Special education instruction | 2,826,428,000 |
| (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs | 77,989,000 |
| (3) Reimbursements for Early Education Program, Part C | -14,395,000 |

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2005-06 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.
2. Of the funds appropriated in Schedule (1) of this item, \$11,448,000, plus any COLA, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.

3. Of the funds appropriated in Schedule (1) of this item, \$8,842,000, plus any COLA, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984-85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
4. Of the funds appropriated in Schedule (1) of this item, \$4,612,000, plus any COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$77,055,000, plus any COLA, shall be available for regionalized program specialist services, \$1,807,000, plus any COLA, for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
5. Of the funds appropriated in Schedule (1), \$1,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code.
6. Of the funds appropriated in Schedule (1), a total of \$178,180,000, plus any COLA, is available to fund the out-of-home care funding formula authorized in Chapter 914 of the Statutes of 2004.
7. Of the amount appropriated in Schedule (2) of this item, \$514,000, plus any COLA, shall be available for infant program growth units (ages birth-two years). Funds for infant units shall be allocated pursuant to Provision 11 of this item, with the following average number of pupils per unit:
 - (a) For special classes and centers—16.
 - (b) For resource specialist programs—24.
 - (c) For designated instructional services—16.

8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule (2) shall be allocated by the State Department of Education for the 2005-06 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11 of this item.
9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) of this item in excess of the amount necessary to fund the deficiated entitlements pursuant to Section 56432 of the Education Code and Provision 10 of this item shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency for each solely low-incidence child through age two in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992-93 fiscal year and reported on the April 1993 pupil count. These funds shall only be allocated if the amount of reimbursement received from the State Department of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.
10. The State Department of Education, through coordination with the SELPAs, shall ensure local inter-agency coordination and collaboration in the provision of early intervention services, including local training activities, child-find activities, public awareness, and the family resource center activities.

11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2005-06 special education program costs and shall not be used to fund any prior year adjustments, claims or costs.
12. Of the amount provided in Schedule (1), \$162,000, plus any COLA, shall be available to fully fund the declining enrollment of necessary small SELPAs pursuant to Chapter 551 of the Statutes of 2001.
13. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (1) of this item, up to \$2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56432 of the Education Code.
14. Of the funds appropriated in Schedule (1) of this item, \$29,478,000 shall be allocated to local educational agencies for the purposes of Project Workability I.
15. Of the funds appropriated in Schedule (1) of this item, \$1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
16. Of the funds appropriated in Schedule (1) of this item, up to \$1,117,000 shall be used for a personnel development program. This program shall include state-sponsored staff development for special education personnel to have the necessary content knowledge and skills to serve children with disabilities. This funding may include training and services targeting special education teachers and related service personnel that teach core academic or multiple subjects to meet the applicable special education requirements of the Individuals with Disabilities Education Improvement Act of 2004.
17. Of the funds appropriated in Schedule (1) of this item, up to \$200,000 shall be used for research and training in cross-cultural assessments.

18. Of the amount specified in Schedule (1) of this item, \$31,000,000 shall be used to provide mental health services required by an individual education plan pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and pursuant to Chapter 493 of the Statutes of 2004.
19. Of the amount provided in Schedule (1), \$121,199,000 is provided for a COLA at a rate of 4.23 percent.
20. Of the amount provided in Schedule (2), \$3,165,000 is provided for a COLA at a rate of 4.23 percent.
21. Of the amount specified in Schedule (1) of this item, \$58,377,000 shall be allocated to each SELPA based upon an equal amount per ADA and added to each SELPA's base funding as determined pursuant to Chapter 854, Statutes of 1997, consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code.
22. Of the amount appropriated in this item, \$1,480,000 is available for the state's share of costs in the settlement of Emma C. v. Delaine Eastin, et al. (N.D. Cal. No. C96-4179TEH). The State Department of Education shall report by January 1, 2006, to the fiscal committees of both houses of the Legislature, the Department of Finance, and the Legislative Analyst's Office on the planned use of the additional special education funds provided to the Ravenswood Elementary School District pursuant to this settlement. The report shall also provide the State Department of Education's best estimate of when this supplemental funding will no longer be required by the court. The State Department of Education shall comply with the requirements of Section 948 of the Government Code in any further request for funds to satisfy this settlement.

23. Of the funds appropriated in this item, \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the Individuals with Disabilities Education Act of 2004 (IDEA), and Section 2122 of the Elementary and Secondary Education Act of 1965. The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.
24. Of the amount appropriated in Schedule (1), \$52,610,000 is available for the 2005-06 fiscal year in accordance with both of the following:
 - (a) Any amount needed to augment the amounts appropriated in Schedules (1) or (2) to ensure full funding for the 2005-06 fiscal year.

- (b) Once the amount needed to satisfy (a) is determined, the remaining funds shall be allocated on a one-time basis to SELPAs. These funds shall be distributed based on the average daily attendance of each SELPA consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. Local educational agencies shall use these funds for one-time purposes, including, but not limited to, the following: to assist students with disabilities pass the California High School Exit Examination, instructional materials, or other one-time expenditures for individuals with exceptional needs. First priority for the use of these funds shall be to provide services to pupils with disabilities who are required to pass the California High School Exit Examination in order to receive a diploma in 2006 and who have failed one or both parts of that examination.

SEC. 11. Item 6110-161-0890 of Section 2.00 of Chapter 38 of Statutes of 2005 is amended to read:

6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children	1,149,044,000
Schedule:	
(1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education.....	970,398,000
(2) 10.60.050.013-State Agency Entitlements, IDEA Special Education.....	2,152,000
(3) 10.60.050.015-IDEA, Local Entitlements, Preschool Program	59,240,000
(4) 10.60.050.021-IDEA, State Level Activities	73,220,000
(5) 10.60.050.030-P.L. 99-457, Preschool Grant Program	39,161,000
(6) 10.60.050.031-IDEA, State Improvement Grant, Special Education	2,079,000
(7) 10.60.050.032-IDEA, Family Empowerment Centers	2,794,000
Provisions:	

1. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state exceed \$1,132,573,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements and to state agencies with approved local plans. Up to 5 percent of the amount received in excess of \$1,132,573,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state are less than \$1,132,573,000, the reduction shall be taken in other state level activities.
2. The funds appropriated in Schedule (2) shall be distributed to state-operated programs serving disabled children from 3 to 21 years of age, inclusive. In accordance with federal law, the funds appropriated in Schedules (1) and (2) shall be distributed to local and state agencies on the basis of the federal Individuals with Disabilities Education Act permanent formula.
4. Of the funds appropriated in Schedule (4) of this item, up to \$300,000 shall be used to develop and test procedures, materials, and training for alternative dispute resolution in special education.
5. Of the funds appropriated by Schedule (5) for the Preschool Grant Program, \$1,228,000 shall be used for in-service training and shall include a parent training component and may, in addition, include a staff training program. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. This program shall include state-sponsored and local components.
6. Of the funds appropriated in this item, \$1,420,000 is available for local assistance grants for the Quality Assurance and Focused Monitoring Pilot Program to monitor local educational agency compliance with state and federal laws and regulations governing special education. This funding level is to be used to continue the facilitated reviews and, to the extent consistent with the key performance indicators developed by the State Department of Education, these activities focus on local educational agencies identified by the United States Department of Education's Office of Special Education Programs.
7. The funds appropriated in Schedule (7) shall be used for the purposes of Family Empowerment Centers on Disabilities pursuant to Chapter 690 of the Statutes of 2001.

8. Notwithstanding the notification requirements listed in subdivision (d) of Section 26.00, the Department of Finance is authorized to approve intraschedule transfers of funds within this item submitted by the State Department of Education for the purposes of ensuring that special education funding provided in this item is appropriated in accordance with the statutory funding formula required by federal IDEA and the special education funding formula required pursuant to Chapter 7.2 (commencing with Section 56836) of Part 30 of the Education Code, without waiting 30 days, but shall provide a notice to the Legislature each time a transfer occurs.
9. Of the funds appropriated in Schedule (4) of this item, \$69,000,000 shall be used exclusively to support mental health services that are provided during the 2005-06 fiscal year by county mental health agencies pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of the Government Code and that are included within an individualized education program pursuant to the federal Individuals with Disabilities Education Act. Each county office of education receiving these funds shall contract, on behalf of special education local planning areas in their county, with the county mental health agency to provide specified mental health services. This funding shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for provision of the mental health services provided in 2005-06. Amounts allocated to each county office of education shall reflect the share of the \$69,000,000 in federal special education funds provided to that county in 2004-05 for mental health services provided pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of the Government Code.
10. Of the amount appropriated in Schedule (1), \$58,377,000 represents the increase in the local assistance portion of the federal grant in 2005-06. These funds have been passed through to be used by each SELPA for discretionary purposes consistent with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.).

SEC. 12. Item 6110-182-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is repealed.

SEC. 13. Item 6110-228-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-228-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund for allocation by the Controller,

School Safety	52,537,000
Schedule:	
(1) 20.60.020.011-School Safety Block	
Grants	52,537,000
Provisions:	

1. Of the funds appropriated in Schedule (1), \$52,537,000 is available to fund block grants for middle and junior high schools and high schools that serve grades 8 to 12, inclusive, pursuant to Article 3.6 (commencing with Section 32228) and Article 3.8 (commencing with Section 32239.5) of Chapter 2 of Part 19 of the Education Code. An additional \$38,720,000 in expenditures for this purpose has been deferred to the 2006-07 fiscal year.
2. Of the \$38,720,000 deferred from this program, \$1 million shall be made available for county offices of education pursuant to Article 3.6 (commencing with Section 32228) of Chapter 2 of Part 19 of the Education Code.
3. Of the funds appropriated in this item, \$345,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$2,132,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.
4. The funds appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for the comprehensive school safety plans activities of the emergency procedures mandate pursuant to Article 5 (commencing with Section 32280) of Chapter 2.5 of Part 19 of the Education Code. Local education agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.

SEC. 14. Item 6110-243-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

6110-243-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled Pupil Retention Block Grant pursuant to Article 2 of Chapter 3.2 (commencing with Section 41505) of the Education Code. 86,957,000

Provisions:

1. Of the funds appropriated in this item, \$571,778 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$3,529,562 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.

SEC. 15. Item 6110-493 is added to Section 2.00 of Chapter 38 of the Statutes of 2005, to read:

6110-493—Reappropriation (Proposition 98), Department of Education.

Notwithstanding any other provision of law, the following specified balances are reappropriated from the following citations, for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 2006:

Provisions:

- (1) \$22,800,000, or the lesser or greater amount necessary to meet the federal maintenance-of-effort requirements of the 2003-04 fiscal year, of the remaining General Fund balance of the amount appropriated in Item 6110-161-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be allocated on a one-time basis to SELPAs pursuant to paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code.
- (2) \$3,200,000 of the remaining General Fund balance of the amount appropriated in Item 6110-161-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available to cover the cost of legislation making technical adjustments to the types of State Department of Social Services licensed facilities cited in the out-of-home care funding formula authorized in Chapter 914 of the Statutes of 2004.

SEC. 16. Item 8860-001-0001 of Section 2.00 of Chapter 38 of the Statutes of 2005 is amended to read:

8860-001-0001—For support of Department of Finance 33,392,000

Schedule:

- | | |
|---|-------------|
| (1) 10-Annual Financial Plan | 19,139,000 |
| (2) 20-Program and Information System Assessments | 14,211,000 |
| (3) 30-Supportive Data | 14,284,000 |
| (4) 40.01-Administration..... | 5,742,000 |
| (5) 40.02-Distributed Administration | -5,742,000 |
| (6) 97.20.001-Unallocated Reduction | -520,000 |
| (7) Reimbursements..... | -13,722,000 |

Provisions:

1. The funds appropriated in this item for CALSTARS shall be transferred by the Controller, upon order of the Director of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CALSTARS-related activities by the Department of Finance.
2. The funds appropriated in this act for purposes of CALSTARS-related data processing costs may be transferred between any items in this act by the Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS-related data processing costs incurred.

3. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund to the Department of Finance for the purpose of meeting operational cashflow obligations for the 2005-06 fiscal year. The loan shall not exceed the estimated amount of uncollected reimbursements for the final quarter of the fiscal year.
4. From the funds appropriated in Schedule 3 for the purpose of evaluating and continuing development and enhancement of the Governor's Budget Presentation System (GBPS), the following provisions apply:
 - (a) From time to time, but no later than December 1 of each year, the Department of Finance shall update the Legislature on anticipated changes to the GBPS. In addition, the Department of Finance shall (1) no later than the approximate same time the Governor's Budget is formally presented in electronic or any other Web-based form, provide printed and bound hard copies of the Governor's Budget and Governor's Budget Summary as follows: to the Legislative Analyst Office—45 copies, the Office of the Legislative Counsel—six copies, offices of the Members of the Legislature—120 copies, and the fiscal committees of the Legislature—60 copies, and (2) no later than four weeks after the Governor's Budget is formally presented in electronic or any other Web-based form, 135 printed and bound hard copies of the Governor's Budget and Governor's Budget Summary shall be provided as follows: two copies to the State Library, to ensure that the State Librarian maintains at least one public copy and one for the permanent research collections, and 133 copies: one copy to each depository public library in the state. Additional copies, either bound or unbound, shall be available for purchase by the public based on the cost of producing the documents requested.
 - (b) Notwithstanding any other provision of law, the Department of Finance may amend its existing contract with the Web development firm to augment and continue consulting services until June 30, 2006, for the purpose of providing continuity of services and avoiding delays in producing the Governor's Budget.

6. Expenditure of funds in this item for the Budget Information System (BIS) is contingent upon submission of an approved Feasibility Study Report for the BIS project to the Legislature and a 45-day review period.
7. The Department of Finance shall evaluate the current mandates reimbursement process and provide alternatives and suggest improvements to the process to the chairperson of the fiscal committees of each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee not later than March 1, 2006.

SEC. 17. Section 12.75 of Chapter 38 of the Statutes of 2005 is amended to read:

Sec. 12.75. The Superintendent of Public Instruction shall reduce by \$1,110,000 funding for basic aid school districts from the Proposition 98 categorical funds appropriated in this act that would otherwise be allocated to basic aid school districts, in accordance with legislation that takes effect on or before January 1, 2006.

SEC. 18. Section 20 of Chapter 39 of the Statutes of 2005 is amended to read:

Sec. 20. Item 6110-485 of Section 2.00 of the Budget Act of 2005 is amended to read:

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of \$346,497,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purposes:

0001—General Fund

- (1) \$196,024,000 to the School Facilities Program for the purpose of funding the School Facilities Emergency Repair Account as required by Chapter 899 of the Statutes of 2004.
- (2) \$10,000,000 to the State Department of Education for the purpose of funding CalWORKs Stage 3 child care.
- (3) \$6,385,000 to the State Department of Education, for payment of Sunnyvale Desegregation claims and interest owed through the 1991-92 fiscal year. The funding shall not be provided for payment of claims and interest and shall be reverted to the General Fund if an appropriation is included in a claims bill for this purpose during the 2005-06 Regular Session.
- (4) \$1,050,000 on a one-time basis to the State Department of Education for the purpose of funding a pilot program to provide training for School Business Officers.

- (5) \$354,000 to the State Department of Education, for transfer by the Controller to Section A of the State School Fund, for payment of prior year child nutrition claims of \$335,000 in 2003-04, \$17,000 in 2000-01, and \$2,000 in 1999-00 fiscal years.
- (6) \$2,227,000, on a one-time basis, to the State Department of Education to cover startup costs associated with the new California English Language Development Test contract.
- (7) \$9,000,000 to the State Department of Education, on a one-time basis, for the Charter School Facility Grant Program.
- (8) \$53,757,000 to the Controller to pay for prior year state obligations for K-12 mandate claims and interest.
- (9) \$18,200,000 on a one-time basis to the State Department of Education for providing fruits and vegetables to schools pursuant to legislation enacted during the 2005-06 Regular Session.
- (10) Up to \$49,500,000 to the Superintendent of Public Instruction for purposes of the allocations specified pursuant to Provision 3.

Provisions:

1. The funds specified in Schedule (7) shall be used to provide grants to charter schools that operate in low-income attendance areas for facilities-related expenses pursuant to Section 3 of Chapter 892 of the Statutes of 2001. No charter school receiving funds under this program shall receive funding in excess of 75 percent of annual lease costs through this program or any other source of funding provided in this or any other act.
2. The funds specified in Schedule (8) shall go to the Controller, who shall use the funds to pay for the oldest claims of those no longer subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest. No payments shall be made from the funds on any claims for the Standardized Testing and Reporting (STAR) Program, schoolsite councils, Brown Act reform, School Bus Safety II, or the removal of chemicals.

3. The governing board of a school district that has a school or schools that are ranked in deciles 1 to 3, inclusive, of the 2004 base Academic Performance Index, as defined in Section 52052 of the Education Code, may apply for funding specified in Schedule (10) for one or more such qualifying schools.
 - (a) As a condition of receipt of funds, the district governing board shall adopt a plan for use of the funds within the qualifying schools. The plan must be discussed and adopted at a regularly scheduled governing board meeting.
 - (b) Each applicant district shall receive fifty dollars (\$50) per pupil based upon the number of pupils in qualifying schools within the district.
 - (c) The funds shall be used for the purposes of improving the educational culture and environment at those schools, which may include, but are not limited to, the following specific purposes:
 - (1) Assuring a safe, clean school environment for teaching and learning.
 - (2) Providing support services for students, and teachers.
 - (3) Activities, including differential compensation, focused on the recruitment and retention at those schools of teachers who meet the definition of a highly qualified teacher under the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).
 - (4) Activities, including differential compensation, focused on the recruitment and retention at those schools of highly skilled principals.
 - (5) Small group instruction.
 - (6) Providing time for teachers and principals to collaborate regarding improving academic outcomes for students.
 - (d) To the extent that funding is insufficient to fund all eligible applicants, the amount provided shall be prorated to conform to available funds.

- (e) Of the funds specified in Schedule (10), \$3,000,000 shall be available for allocation to a County Office of Education on a competitive basis for the purpose of contracting, on a competitive basis, with an outside entity for the purpose of recruiting highly qualified teachers to qualifying schools in deciles 1 to 3, inclusive, based on the 2004 Academic Performance Index.

SEC. 19. Section 21 of Chapter 39 of the Statutes of 2005 is amended to read:

Sec. 21. Item 6110-495 of Section 2.00 of the Budget Act of 2005 is amended to read:

6110-495—Reversion, Department of Education, Proposition

98. The following amounts shall be reverted to the Proposition 98 Reversion Account by the State Controller within 60 days of enactment of this act:

0001—General Fund

- (1) \$144,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-123-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (2) \$1,812,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-126-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (5) \$50,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-177-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (6) \$66,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (7) \$127,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (8) \$545,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-195-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (9) \$24,396,000 or whatever the greater or lesser amount reflects the unencumbered balance of the amount appropriated for child care and development programs in Item 6110-196-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (10) \$78,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-197-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (11) \$1,030,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-203-0001, Budget Act of 2004 (Ch. 208, Stats. 2004).

- (13) \$451,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-211-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (16) \$4,600,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-134-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (17) \$1,013,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-229-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (18) \$8,000,000 or whatever greater or lesser amount reflects unexpended funds from paragraph (1) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.
- (19) \$119,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-201-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (20) \$701,000 or whatever lesser or greater amount reflects unexpended funds from paragraph (4) of subdivision (a) of Section 50 of Chapter 1167 of the Statutes of 2002.
- (21) \$3,000,000 or whatever greater or lesser amount reflects unexpended funds from Section 11 of Chapter 10 of the Statutes of 2003, First Extraordinary Session.
- (22) \$702,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-235-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (23) \$1,481,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (24) \$194,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-122-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (25) \$398,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-122-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (26) \$10,000,000 of the balance in the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code.
- (28) \$1,300,000 from Item 6110-144-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (29) \$8,726,000 or whatever lesser or greater amount reflects the unexpended funds from paragraph (3) of subdivision (a) of Section 50 of Chapter 1167 of the Statutes of 2002.

- (30) \$61,568 or whatever greater or lesser amount reflects unexpended funds from Schedule (42) of Item 6110-485 of the Budget Act of 2001 (Ch. 106, Stats. 2001), as added by Section 48 of Chapter 1 of the Statutes of 2002, Third Extraordinary Session.
- (31) \$650,874 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-111-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (32) \$156,788 or whatever greater or lesser amount reflects unexpended funds from Item 6110-112-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (33) \$243,780 or whatever greater or lesser amount reflects unexpended funds from Schedule (5) of Item 6110-113-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (34) \$542,174 or whatever greater or lesser amount reflects unexpended funds from Schedule (6) of Item 6110-113-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (35) \$292,458 or whatever greater or lesser amount reflects unexpended funds from Item 6110-120-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (36) \$77,120 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-123-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (37) \$56,005 or whatever greater or lesser amount reflects unexpended funds from Item 6110-126-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (38) \$513,842 or whatever greater or lesser amount reflects unexpended funds from Item 6110-127-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (39) \$13,250 or whatever greater or lesser amount reflects unexpended funds from Item 6110-137-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (40) \$507 or whatever greater or lesser amount reflects unexpended funds from Item 6110-140-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (41) \$2,581 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-156-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (42) \$929,199 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-161-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- (43) \$47,985 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-161-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (44) \$10,826 or whatever greater or lesser amount reflects unexpended funds from Item 6110-163-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (45) \$24,873 or whatever greater or lesser amount reflects unexpended funds from Item 6110-167-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (46) \$5,317 or whatever greater or lesser amount reflects unexpended funds from Item 6110-189-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (47) \$499 or whatever greater or lesser amount reflects unexpended funds from Item 6110-191-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (48) \$9,438 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-193-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (49) \$14,244 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-193-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (50) \$1,335,625 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-198-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (51) \$2,266,669 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-198-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (52) \$4,352,385 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-198-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (53) \$9,298 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-226-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (54) \$472 or whatever greater or lesser amount reflects unexpended funds from Item 6110-229-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (55) \$75,570 or whatever greater or lesser amount reflects unexpended funds from Item 6110-240-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- (56) \$601 or whatever greater or lesser amount reflects unexpended funds from Schedule (6) of Item 6110-485 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (57) \$10,284 or whatever greater or lesser amount reflects unexpended funds from Schedule (5) of Item 6110-485 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (58) \$18,060 or whatever greater or lesser amount reflects unexpended funds from subdivision (b) of Section 72 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (59) \$9,386 or whatever greater or lesser amount reflects unexpended funds from paragraph (3) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.
- (60) \$1,292,454 or whatever greater or lesser amount reflects unexpended funds from paragraph (4) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.
- (61) \$35,220 or whatever greater or lesser amount reflects unexpended funds from Chapter 704 of the Statutes of 2000.
- (62) \$9,332 or whatever greater or lesser amount reflects unexpended funds from appropriations for the 2003-04 fiscal year from Proposition 227 as approved by the voters at the November 3, 1998, statewide general election.
- (63) \$169,776 or whatever greater or lesser amount reflects unexpended funds from Item 6110-120-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (64) \$10,904,057 or whatever lesser amount reflects unexpended funds from Schedule (1) of Item 6110-161-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (65) \$2,695,943 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-161-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (66) \$2,855 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-193-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (67) \$51,984 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-240-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).

- (68) \$90,111 or whatever greater or lesser amount reflects unexpended funds from Item 6110-243-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (69) \$328,112 or whatever greater or lesser amount reflects unexpended funds from Schedule (4) of Item 6110-485 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (70) \$222 or whatever greater or lesser amount reflects unexpended funds from Schedule (6) of Item 6110-485 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (71) \$223,023 or whatever lesser amount reflects unexpended funds from paragraph (9) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (72) \$11,636,352 or whatever greater or lesser amount reflects unexpended funds from paragraph (5) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (73) \$2,079,182 or whatever greater or lesser amount reflects unexpended funds from paragraph (5) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (74) \$1,535 or whatever greater or lesser amount reflects unexpended funds from paragraph (1) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (75) \$5,000,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-144-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (76) \$1,000,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (77) \$400 or whatever greater or lesser amount reflects unexpended funds from Schedule (9) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (78) \$3,990,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (17) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (79) \$31,000,000 or whatever lesser amount reflects unexpended funds from Item 6110-234-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

- (80) \$22,652,000 or whatever greater or lesser amount reflects unexpended funds from Section 37 of Chapter 71 of the Statutes of 2000.
- (81) \$22,690,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-196-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (82) \$50,000,000 or whatever lesser amount reflects unexpended funds from Item 6110-234-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).

SEC. 20. Section 30 of Chapter 73 of the Statutes of 2005 is amended to read:

Sec. 30. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2005 (Ch. 38, Stats. 2005) shall be available for liquidation through July 31, 2008, and after that date, all remaining unexpended funds in those items shall revert to the Proposition 98 Reversion Account.

SEC. 21. Section 31 of Chapter 73 of the Statutes of 2005 is amended to read:

Sec. 31. (a) (1) The sum of six hundred five million ninety-four thousand dollars (\$605,094,000) is hereby appropriated from the General Fund in accordance with the following schedule:

(2) Of the amount appropriated in paragraph (1), the following amounts are appropriated for expenditure during the 2006-07 fiscal year.

(A) The sum of six million two hundred twenty-seven thousand dollars (\$6,227,000) to the State Department of Education for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2005.

(B) The sum of ninety million one hundred seventeen thousand dollars (\$90,117,000) to the State Department of Education for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2005. Of the amount appropriated by this subparagraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2005, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

(D) The sum of thirty-nine million six hundred thirty thousand dollars (\$39,630,000) to the State Department of Education for regional occupational centers and programs to be expended consistent with the

requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2005.

(E) The sum of fifty-two million five hundred eighty-three thousand dollars (\$52,583,000) to the State Department of Education for home-to-school transportation to be expended consistent with the requirements specified in Schedule (1) of Item 6110-111-0001 of Section 2.00 of the Budget Act of 2005.

(F) The sum of four million two hundred ninety-four thousand dollars (\$4,294,000) to the State Department of Education for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2005.

(G) The sum of forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) to the State Department of Education for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2005.

(H) The sum of four million seven hundred fifty-one thousand dollars (\$4,751,000) to the State Department of Education for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2005.

(I) The sum of five million nine hundred forty-seven thousand dollars (\$5,947,000) to the State Department of Education for categorical block grants for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2005.

(J) The sum of thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) to the State Department of Education for the School Safety Block Grant to be expended consistent with the requirements specified in Schedule (1) of Item 6110-228-0001 of Section 2.00 of the Budget Act of 2005.

(K) The sum of one hundred million one hundred eighteen thousand dollars (\$100,118,000) to the State Department of Education for Targeted Instructional Improvement Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2005.

(L) The sum of two hundred million dollars (\$200,000,000) to the Board of Governors of the California Community Colleges for apportionments, to be expended in accordance with the requirements specified in Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2005.

(b) (1) Of the amount appropriated in paragraph (1) of subdivision (a), the sum of sixteen million eight hundred eleven thousand dollars (\$16,811,000) is appropriated to the Controller to pay for prior year state obligations for K-12 and community college mandate claims and interest. The Controller shall use funds to pay for the oldest claims of those no longer subject to audit pursuant to subdivision (a) of Section 17558.5 of

the Government Code, including accrued interest. No payments shall be made from the funds on any claims for the Standardized Testing and Reporting (STAR) Program, schoolsite councils, Brown Act reform, School Bus Safety II, or the removal of chemicals. The Controller shall provide reimbursement of claims and interest in accordance with the following schedule:

(A) The sum of six million eight hundred eleven thousand dollars (\$6,811,000) for reimbursement of claims filed by school districts and county offices of education.

(B) The sum of ten million dollars (\$10,000,000) for reimbursement of claims filed by community college districts.

(2) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, six million eight hundred eleven thousand dollars (\$6,811,000) of the appropriation made by paragraph (1) shall be deemed to be “General Fund” revenues appropriated to school districts, as defined in subdivision (c) of Section 41202 of the Education Code, and ten million dollars (\$10,000,000) of the appropriation made by paragraph (1) shall be deemed to be “General Fund” revenues appropriated to community college districts as defined in subdivision (d) of Section 41202 of the Education Code, for the 1995-96 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 1995-96 fiscal year.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subparagraphs (A) to (K), inclusive, of paragraph (2) of subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2006-07 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2006-07 fiscal year.

(d) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subparagraph (L) of paragraph (2) of subdivision (a) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 2006-07 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2006-07 fiscal year.

SEC. 22. Section 32 of Chapter 73 of the Statutes of 2005 is amended to read:

Sec. 32. Notwithstanding paragraph (1) of subdivision (d) of Section 41207 of the Education Code, the funds appropriated pursuant to

subdivision (b) of Section 31 of this act shall be deemed to be in partial satisfaction of the outstanding balance of the Proposition 98 minimum funding obligation for the 1995-96 fiscal year determined pursuant to Section 41207 of the Education Code and shall be in lieu of sixteen million eight hundred eleven thousand dollars (\$16,811,000) of the amount that would otherwise be appropriated pursuant to subdivision (d) of that section for the 2006-07 fiscal year.

SEC. 23. (a) Up to \$21,025,000 of the funds previously appropriated for Internet connectivity and network infrastructure for schools offering kindergarten and grades 1 to 12, inclusive, and county offices of education from the following appropriations shall be available for expenditure by the Imperial County Office of Education consortium to continue management and operation of the high-speed network during the 2005-06 fiscal year:

(1) Item 6440-001-0001, Schedule (a), Provision 44, Chapter 52 of the Statutes of 2000.

(2) Item 6440-001-0001, Schedule (1), Provision 24, Chapter 106 of the Statutes of 2001.

(3) Item 6440-001-0001, Schedule (1), Provision 24, Chapter 379 of the Statutes of 2002.

(4) Item 6440-001-0001, Schedule (1), Provision 22, Chapter 157 of the Statutes 2003.

(5) Item 6110-182-0001, Chapter 208 of the Statutes of 2004.

(b) Of the unexpended funds listed in subdivision (a), the Imperial County Office of Education consortium may use up to \$1,221,000 to administer and support the program. The program shall be governed pursuant to legislation enacted for this purpose on or before January 1, 2006, during the 2005-06 Regular Session.

(c) The Joint Legislative Audit Committee shall conduct an audit of the K-12 High Speed Network. This audit shall identify any prior-year funds that remain available for the project and determine whether the state owns the network or any portion thereof, that would affect the future development and usage of the network. This audit shall also include an assessment of all of the following:

(1) The quality of the oversight of the project.

(2) The reasonableness of the existing cost allocation methodology employed by the California Research and Education Network.

(3) The appropriateness of the contracts entered into by state agencies transferring funds to the California Research and Education Network.

SEC. 24. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2005 at the earliest time possible, it is necessary that this act take effect immediately.